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SUBJECT: NEW EU LOGGING REGULATIONS COULD PRESENT
CHALLENGES TO U.S.

¶1. (U) The European Parliament in mid-February 2009 approved amendments to draft legislation which placed far stricter requirements on the logging industry in an attempt to prevent illegally logged timber from entering the European Union. Proposals added to the legislation include the creation of an independent, public monitoring organization that would oversee and ensure traceability of all timber products entering the European Union, stricter labeling requirements for timber products, and even stricter due diligence for timber products from high risk areas including conflict zones and nations without adequate forestry governance. The amendments also require the Commission to produce a standard set of EU regulations for timber and wood products within one year.

¶2. (U) This draft legislation comes in the wake of a December 2008 European Council declaration on deforestation and forest degradation which voiced general Member State support for Commission efforts to create a regulatory regime aimed at slowing illegal logging and global deforestation, including a Commission goal to completely halt global forest loss by ¶2030. Additionally, this legislation is part of a wider EU platform being constructed by the Commission, Council, and Parliament ahead of the December Copenhagen conference. In its declaration in December, the Council asked the Commission to include in its Copenhagen preparations "an ambitious strategy for scaling up finance and investment flows for both mitigation and adaptation, including aspects relating to combating deforestation and forest degradation and the role of conservation, sustainable forest management and enhancement of forest carbon stocks."

¶3. (U) This draft legislation on illegal logging continues to move its way through the European Parliament, and a vote is scheduled to take place on April 24, before Parliament breaks for elections this summer. If it is approved by Parliament, EU officials expect the Council to adopt it in amended form. (Note: If the Council rejects Parliament's amended version, a conciliation committee will be convened between the Council and Parliament to work out a joint text. Such an event would certainly push the debate on this piece of legislation into the next Parliament's session. End note.)

¶4. (U) NGO response to the amended legislation has been mixed, though the general consensus is that it is a 'step in the right direction.' As summed up by Anke Schulmeister, Forest policy Officer at WWF: "this (legislation) gives all players in the timber supply chain clearer indications about the system they need to establish to prove the legality of their timber - and provides clearer and more certain consequences to those who continue to flout the rules."

¶5. (U) Comment: This legislation and the overall position of the European Union on forestry and illegal logging ahead of Copenhagen will likely present certain challenges to the American timber industry. The creation of an independent monitoring authority will add an additional layer of regulation and oversight to the trade process which will reduce efficiency and increase administrative burdens. End comment.

¶6. (U) For more information, please consult the DG Environment website, at:

http://ec.europa.eu/dgs/environment/index_en.htm

The DG Environment website includes links to PDF copies of the Parliament's draft amended legislation.

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